Qatar’s swift policy response mitigates Covid-19 impact on economy, says IMF

Country’s policy response to Covid-19 pandemic centres on QR18bn package to support economy
By Reham Al-Faraj
Business Reporter

Qatar’s swift policy response in containing the Covid-19 spread has not only mitigated the health and economic impact of the pandemic but also boosted confidence in Qatar’s continued economic recovery.

The country’s policy response has mitigated the economic impact of the crisis, the IMF said after its Article IV consultation with Qatar. The policy response was centred on a QR18bn package to support the economy. A key part of the package, the Qatar Central Bank’s (QCB) liquidity support to banks, aimed to bolster the banking system, which, together with the QR1bn in support to the private sector, a credit guarantee scheme – involving QR1bn and administered by Qatar Development Bank – has provided about QR6bn to qualifying enterprises through subsidised and guaranteed loans.

The household and business sectors were allowed to defer loan repayments until the end of the year and benefit from a waiver of rental and utility fees.

These measures, along with other steps to ensure salary payments and basic services to workers, helped maintain economic confidence, despite the impact of the shocks on businesses and households and the healthcare system, “it said.

“The authorities’ swift response – with swift implementation and communication to the public – complemented by high levels of testing since the start of the crisis, plus unrestricted borders and vaccine availability – has helped contain the virus and limit the disruption to economic activity. The last recorded Covid-19 case in Qatar was on 27 September,” it added.

Qatar has posted a strong economic performance in the face of a global pandemic, with real GDP growth estimated at 4.1% in 2020. This performance is expected to continue in 2021, with real GDP growth forecast at 4.3%.

While the pandemic has led to a slowdown in economic activity, the IMF said Qatar’s banking sector remains well-capitalised and liquid.

Explaining the latest financial soundness indicators, the IMF said Qatar’s banking sector remains well-capitalised and liquid.

“Qatar’s financial sector remains well-capitalised and liquid, with ratios of capital adequacy, liquidity and loan loss provisions all above regulatory minimums. The banking sector is well-equipped to withstand shocks from the pandemic, with a strong capital base and high liquidity,” the IMF said.

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Goldman renews lira forecasts stronger again, sees flatter path

Oman to start removing its utility subsidies from January next year

Iraq devalues dinar as lower oil prices squeeze revenue

LeGO

Traders and investors are on high alert after a sharp decline in the value of the US dollar against the lira on Monday, with the currency falling by almost 5% in a single day. The decline comes amid growing concerns about the economic outlook for Turkey and the region.

Turkish President Recep Tayyip Erdogan has promised to lower interest rates, which have been a key driver of the lira’s recent weakness. However, this has not been enough to stabilize the currency, and it remains to be seen whether the government will be able to implement further reforms to address the underlying economic problems.

The Turkish lira has lost more than 20% of its value against the US dollar since the beginning of the year, hitting record lows on Monday. This has引发了市场对土耳其经济稳定性的担忧，以及对地区金融市场的冲击。
Oil’s vaccine trade buoyancy faces more hurdles ahead

By Jay Artale

The global economy is on the cusp of a major turning point, with the vaccine rollouts offering hope for a return to normalcy. However, the road ahead is far from smooth, with several challenges that could derail the recovery. In this article, we will explore some of the key obstacles that the oil market faces in the coming months.

Long Road Back

Oil demand is not expected to get back to 2019 levels by the end of 2021. The International Energy Agency (IEA) and the Organization of Petroleum Exporting Countries (OPEC) have both forecasted a gradual recovery, but the path to full recovery will be uneven and uncertain. The oil market is expected to remain under pressure as geopolitical tensions and the Covid-19 pandemic continue to affect the demand for oil.

Lost Demand

Oil demand in 2020 is now expected to be about 10 million barrels a day lower than forecast a year ago. The IEA and OPEC have revised their forecasts for global demand to reflect the impact of the pandemic. The outlook for demand is uncertain, with many factors that could influence the recovery.

LATEST MARKET CLOSING PRICES

<table>
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<th>Company Name</th>
<th>Last Price</th>
<th>% Change</th>
<th>Volume</th>
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<tr>
<td>Saudi Arabia</td>
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Note: The above table is a representation of the market closing prices for the top oil-producing countries.
**Pandemic made 2020 a wild year for Wall Street**

From the start of the coronavirus pandemic to the election, Wall Street faced a year of challenges like never before. But in 2021, it bounced back, and now investors are bracing for the world economy to return to normal.

**Foreigners eye return to Japan stocks after years of selling**

Despite a surge in COVID-19 cases last year, foreign investors held onto their Japanese stocks, hoping for a recovery in the world's third-largest economy. But now, with Japan's vaccine rollout gaining momentum, some are looking to buy back into the market.

**Russian economy on course to shrink 4% in 2020: World Bank**

The World Bank expects Russia's economy to shrink by 4% in 2020, with the impact of the coronavirus pandemic leading to a contraction in the gross domestic product. However, the bank anticipates a rebound in 2021, with growth rates returning to pre-pandemic levels.

**Airlines back at refunds as UK tells travelers not to fly**

The UK government has announced that travelers will receive refunds for flights that were canceled due to the COVID-19 pandemic. This measure is expected to boost the aviation industry, which has been hit hard by the pandemic.

**Commodities back as fashion investors get ready for boom**

After a year of uncertainty, the fashion industry is poised for a comeback. With the easing of COVID-19 restrictions, demand for luxury goods is expected to increase, driving prices for commodities like gold and silver.
OFC contributes 1% to Qatar’s total gross domestic product

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The Qatari Financial Centre (OFC) has confirmed that its gross domestic product (GDP) contribution is 1%. The 1% GDP contribution was estimated across three distinct types of contributions, including direct, indirect, and induced impacts, through local supply chains, and the induced impact on middle-income households, which directly affect the expenditure on education quality, child development, unemployment benefits, as well as other domestic personal consumption.

This was highlighted at the OFC’s annual report event, who stated that the economic impact of OFC’s contribution is the same as the total GDP contributions and that the OFC’s contribution to Qatar’s GDP is 5%.

The Qatari Financial Centre (OFC) has also announced that it will contribute 1% to Qatar’s GDP in the year 2020, with the OFC focusing on four key areas: economic growth, financial stability, innovation, and social development.

Qatar Industrial Production Index swears 3-month on-month in October 2020

The manufacturing activity index expanded by 3.2% on month in October 2020, the Qatar Statistics Authority announced on Monday. The manufacturing activity index expanded by 3.2% on month in October 2020, the Qatar Statistics Authority announced on Monday.

Treasury yields at risk of shooting up as Fed defers bond-buying changes